**Business Law ~ Chapter 8**

**Consideration**

**8-1 Types of Consideration**

* Identify the three requirements of consideration
* Discuss the adequacy of consideration

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| 3 Requirements of Consideration |
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| Forms of Consideration | |
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**8-1 Assessment ~ Page 144**

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**8-2 Questionable Consideration**

* Describe situations in which consideration is present only under limited circumstances.
* Recognize when what appears to be binding consideration is not.

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| Illusory Promises | |
| Termination Clauses | **Output & Requirement Contracts** |

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| Existing Duty | |
| Existing Public Duty | **Existing Private Duty** |
| Settlement of Liquidated Debts | **Settlement of Unliquidated Debts** |
| Release | **Composition with Creditors** |

Why is consideration not binding in illusory contracts?   
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What distinguishes a gift from a valid contract?

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**8-2 Assessment ~ Page 148**

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**8-3 When Consideration is Not Required**

* Distinguish situations in which consideration is not needed.
* Recognize when the doctrine of promissory estoppel can be applied.

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| Four Exceptions to the Requirement of Consideration | |
| Promises to Charitable Organizations | **Promises Covered by the UCC** |
| Promises Barred from Collection by Statute | **Promissory Estoppel** |

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| Promissory Estoppel Conditions | |
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**8-3 Assessment ~ Page 151**

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